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OCI No. 2818/65

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CENTRAL INTELLIGENCE AGENCY
Office of Current Intelligence
27 October 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation
(Report # 43 -- As of 4:00 P.M. EDT)

1. In the face of the mounting army propaganda campaign against him, Foreign Minister Subandrio was forced yesterday to retract publically his charge that elements of the Djakarta press were financed by CIA. The Army's refusal to allow Subandrio to attend the Afro-Asian Conference was revealed publically today when it was announced that Deputy Foreign Minister Suwito is leading the Indonesian delegation to the conference.

2. Armed Communist activity in central Java is increasing. The most ambitious Communist action has been an unsuccessful attack on police headquarters in the central Javanese cities of Jogjakarta, Solo and Bojolali on 25 October. Today, the Central Java military command proclaimed a "state of war" throughout the province. Troops from an infantry brigade, earlier moved to Sumatra for confrontation duties, are being returned to Central Java.

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State Dept. review completed

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5. The South Sumatran military command has banned the activities of the PKI and its mass affiliates. Eleven of Indonesia's seventeen military areas have now taken such action.

6. The US Embassy in Djakarta has a report that Marshal Dani, who "temporarily" stepped down from his duties as air force commander and left the country on a purchasing mission, has unexpectedly returned to Indonesia under escort, and is now in army hands in Djakarta. Earlier, rumors have circulated that the army did not allow Dani to depart at all but placed him under detention.

7. President Sukarno is continuing to oppose the army's anti-Communist campaign. According to Information Minister Achmadi, Sukarno told a meeting of leaders of seven Indonesian political parties yesterday that a switch to the right "would be a calamity even greater than the 30 September incident."

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